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Working Group on International Statistical Programmes and Coordination

Nineteenth session

New York, 10-13 February 1998

Item 2 of the provisional agenda

Adoption of the agenda and other organizational matters

Provisional annotated agenda

1. Election of officers.
2. Adoption of the agenda and other organizational matters.
3. Statistical priorities and management in the face of diminishing resource levels.
4. Implementation of the System of National Accounts, 1993 (1993 SNA).
5. Work of the inter-agency task forces.
6. Some critical problems in economic statistics.
7. Demographic, social and migration statistics.
8. Statistical implications of the follow-up to recent major United Nations conferences.
9. International economic and social classifications.
10. Technical cooperation in statistics.
11. Coordination of statistical data-collection activities.
12. Information on the statistical activities of the international organizations.
13. Role and functioning of the Statistical Commission.
14. Provisional agenda and documentation for the thirtieth session of the Statistical Commission.
15. Dates, venue and draft provisional agenda of the twentieth session.
16. Report of the Working Group on its nineteenth session.



Annotations

1. Election of officers

In accordance with the decision of the Statistical Commission, the officers elected at the twenty-ninth session of the Commission (11-14 February 1997) will serve as the officers of the Working Group at its nineteenth session.¹

2. Adoption of the agenda and other organizational matters

Documentation: provisional annotated agenda and proposed organization of the work of the session (E/CN.3/AC.1/1998/L.1).

After adopting the agenda, the Working Group may wish to consider the order in which the items should be discussed. Information on the organization of the work of the session, including a proposed order of the discussion of items, is contained in the annex.

3. Statistical priorities and management in the face of diminishing resource levels

Documentation: oral report from the Director of the United Nations Statistics Division on the management of the statistics programme under conditions of resource reduction, and on the implementation plan and timetable for the recommendations made by the Office of Internal Oversight Services of the United Nations Secretariat in its report on its in-depth valuation of the statistics programme.²

4. Implementation of the System of National Accounts, 1993 (1993 SNA)

Documentation: note by the Secretary-General transmitting the report of the Intersecretariat Working Group on National Accounts (E/CN.3/AC.1/1998/L.11); see also the report on the actions and decisions taken by the ACC Subcommittee on Statistical Activities at its thirty-first session (E/CN.3/AC.1/1998/L.10, para. 15).

5. Work of the inter-agency task forces

Documentation: note by the Secretary-General transmitting the reports of the task forces (E/CN.3/AC.1/1998/2) (Task Force on Environment Statistics (Convener: United Nations Statistics Division) Task Force on International Trade Statistics (Convener: World Trade Organization), Task Force on Finance Statistics (Convener: International Monetary Fund) and Task Force on Service Statistics (Convener: Organisation for Economic Cooperation and Development)); oral report by the Director of the Statistics Directorate of the Organisation for Economic Cooperation and Development (OECD) (Convener of the former Task Force on Industrial and Construction Statistics), on its study of definitions of statistical unit used by OECD member countries; see also E/CN.3/AC.1/1998/L.10, paras. 13 and 14 and 16-18.

6. Some critical problems in economic statistics

Documentation: note by the Secretary-General on the status/work of "city and other important groups" (E/CN.3/AC.1/1998/L.3); see also E/CN.3/AC.1/1998/L.10, paras. 4 and 22.

7. Demographic, social and migration statistics

Documentation: note by the Secretary-General on demographic, social and migration statistics (E/CN.3/AC.1/1998/L.4); see also E/CN.3/AC.1/1998/L.10, paras. 5 and 6.

8. Statistical implications of the follow-up to recent major United Nations conferences

Documentation: note by the Secretary-General on the statistical implications of the follow-up to recent major United Nations conferences (E/CN.3/AC.1/1998/L.5); see also E/CN.3/AC.1/1998/L.10, paras. 20 and 21.

9. International economic and social classifications

Documentation: note by the Secretary-General on international economic and social classifications (E/CN.3/AC.1/1998/L.6).

10. Technical cooperation in statistics

Documentation: note by the Secretary-General on the development of good practices related to technical cooperation in statistics (E/CN.3/AC.1/1998/L.7); see also E/CN.3/AC.1/1998/L.10, para. 12.

11. Coordination of statistical data-collection activities

Documentation: oral report by the Director of the United Nations Statistics Division; and E/CN.3/AC.1/1998/L.10, paras. 3 and 9.

12. Information on the statistical activities of the international organizations

Documentation: oral report by the Director of the United Nations Statistics Division and the Director of the Statistics Department of the International Monetary Fund, presenting the results of a pilot study; see also E/CN.3/AC.1/1998/L.10, paras. 19 and 25.

13. Role and functioning of the Statistical Commission

Documentation: note by the Secretary-General transmitting the report of the ad hoc group of countries on exploring new approaches to the structure and operation of the Statistical Commission (E/CN.3/AC.1/1998/L.8); see also E/CN.3/AC.1/1998/L.10, paras. 8 and 23.

14. Provisional agenda and documentation for the thirtieth session of the Statistical Commission

In accordance with Economic and Social Council resolution 1979/41, the Statistical Commission submitted the provisional agenda and documentation for its thirtieth session to the Council at its substantive session of 1997.³ The Council approved the provisional agenda and documentation. As requested by the Commission, the Working Group should finalize the agenda and documentation.

Documentation: note by the United Nations Statistics Division containing the proposed agenda and documentation for the thirtieth session of the Statistical Commission (E/CN.3/AC.1/1998/L.9).

15. Dates, venue and draft provisional agenda of the twentieth session

The Working Group should recommend to the Statistical Commission the dates, place and draft provisional agenda of the twentieth session of the Working Group.

16. Report of the Working Group on its nineteenth session

The Working Group should adopt its report on its nineteenth session for submission to the Statistical Commission at its thirtieth session.

Notes

¹ See *Official Records of the Economic and Social Council, 1995, Supplement No. 8 (E/1995/28)*, para. 94.

² *Official Records of the General Assembly, Fifty-second Session, Supplement No. 16 (A/52/16)*, para. 293.

³ *Official Records of the Economic and Social Council, 1997, Supplement No. 4 (E/1997/24)*, chap. 1A.

Annex

Proposed organization of the work of the session

1. The proposed schedule of work for the Working Group on International Statistical Programmes and Coordination at its nineteenth session is set out below; it has been prepared pursuant to relevant decisions of the General Assembly and the Economic and Social Council in order to facilitate the consideration of agenda items within the time and services allocated to the Working Group.

2. The first meeting will be held on Tuesday, 10 February 1998 at 10 a.m. Facilities will be available for two formal meetings each day. Meeting hours will normally be 10 a.m. to 1 p.m. and 3 p.m. to 6 p.m.

Tuesday, 10 February

- | | | |
|-------------|---------------|---|
| <i>a.m.</i> | <i>Item 1</i> | Election of officers |
| | <i>Item 2</i> | Adoption of the agenda and other organizational matters (E/CN.3/AC.1/1998/L.1) |
| | <i>Item 3</i> | Statistical priorities and management in the face of diminishing resource levels (oral report) |
| | <i>Item 4</i> | Implementation of the System of National Accounts, 1993 (1993 SNA) (E/CN.3/AC.1/1998/L.11; and E/CN.3/AC.1/1998/L.10; para. 15) |
| | <i>Item 5</i> | Work of the inter-agency task forces (E/CN.3/AC.1/1998/L.2; and E/CN.3/AC.1/1998/L.10, paras. 13 and 14 and 16-18; and oral report) |
| <i>p.m.</i> | <i>Item 5</i> | (continued) |
| | <i>Item 6</i> | Some critical problems in economic statistics (E/CN.3/AC.1/1998/L.3; and E/CN.3/AC.1/1998/L.10, paras. 4 and 22) |

Wednesday, 11 February

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|-------------|----------------|---|
| <i>a.m.</i> | <i>Item 7</i> | Demographic, social and migration statistics (E/CN.3/AC.1/1998/L.4; and E/CN.3/AC.1/1998/L.10, paras. 5 and 6) |
| | <i>Item 8</i> | Statistical implications of the follow-up to recent major United Nations conferences (E/CN.3/AC.1/1998/L.5 and E/CN.3/AC.1/1998/L.10, paras. 20 and 21) |
| <i>p.m.</i> | <i>Item 9</i> | International economic and social classifications (E/CN.3/AC.1/1998/L.6) |
| | <i>Item 10</i> | Technical cooperation in statistics (E/CN.3/AC.1/1998/L.7 and E/CN.3/AC.1/1998/L.10, para. 12) |
| | <i>Item 11</i> | Coordination of statistical data collection activities (oral report; and E/CN.3/AC.1/1998/L.10, paras. 3 and 9) |

- Item 12* Information on the statistical activities of the international organizations (oral report; and E/CN.3/AC.1/1998/L.10, paras. 19 and 25)

Thursday, 12 February

- a.m.* *Item 13* Role and functioning of the Statistical Commission (E/CN.3/AC.1/1998/L.8; and E/CN.3/AC.1/1998/L.10, paras. 8 and 23)
- Item 14* Provisional agenda and documentation for the thirtieth session of the Statistical Commission (E/CN.3/AC.1/1998/L.9)
- p.m.* *Item 13* (continued)

Friday, 13 February

- a.m.* *Item 13* (continued)
- Item 15* Dates, venue and draft provisional agenda of the twentieth session
- Item 16* Report of the Working Group on its nineteenth session
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Nineteenth session
New York, 10-13 February 1998
Item 5 of the provisional agenda*

Work of the inter-agency task forces

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Working Group the reports of the Task Force on Environment Statistics (Convener: United Nations Statistics Division) (annex I); the Task Force on Service Statistics (Convener: Organization for Economic Cooperation and Development) (annex II); the Task Force on Finance Statistics (Convener: International Monetary Fund) (annex III); and the Task Force on International Trade Statistics (Convener: World Trade Organization) (annex IV).

* E/CN.3/AC.1/1998/L.1.



Annex I

Task Force on Environment Statistics

Report prepared by the United Nations Statistics Division (Convener)

1. At its twenty-ninth session,^a the Statistical Commission requested that the future work of the Task Force on Environment Statistics should focus on improved coordination of its programmes and activities. In this context, the Commission considered basic environment statistics to be of the highest priority, followed by environmental indicators and accounting. The Commission stressed the need to develop a closer linkage between environmental indicators and environmental accounting and welcomed the collaboration between the United Nations Statistics Division and the London Group on Natural Resource and Environmental Accounting on the revision of the System of Integrated Environmental and Economic Accounting (SEEA). The Commission also endorsed the establishment of an electronic bulletin board for sharing information on technical cooperation activities.

2. Since, to date, a formal report of the Task Force has not yet been prepared, the description of international activities set out below is provided by the Convener of the Task Force for the benefit of the Working Group.

3. At its thirty-first session (16-18 September 1997) the Subcommittee on Statistical Activities of the Administrative Committee on Coordination (ACC) considered that "there was a special need for coordination in this area of statistics" and requested the Bureau "to prepare for a session on this topic at the next session of the Subcommittee". In preparation for that session, the Statistics Division plans to convene a 2nd meeting of the Task Force early in 1998 or, alternatively, to organize the discussion by correspondence. The Task Force is expected to focus on coordination and cooperation in (a) the international compilation of environmental indicators, (b) the review and revision of SEEA, (c) information exchange on projects of technical cooperation in environmental statistics and accounting and (d) the need to avoid duplication of data collection and to ensure the use of international standards in the dissemination of environmental data by electronic means.

4. Following the approval by the Statistical Commission, at its twenty-eighth session, of an international compilation of environmental indicators from national statistical services, the Statistics Division is currently developing a questionnaire on selected environmental indicators. The questionnaire is intended to be circulated to all national

statistical services in 1998. This exercise has been significantly delayed owing to the inability to fill vacancies in the Branch. A pilot questionnaire has almost been completed and will be circulated to the Governments that participated in the 4th meeting of the Intergovernmental Working Group on the Advancement of Environment Statistics before the end of 1997. The questionnaire will be modified according to the results of the pilot test.

5. Informal consultations with the Organisation for Economic Cooperation and Development (OECD) have confirmed that the Statistics Division's indicator compilation will not duplicate the efforts of OECD. OECD will therefore continue to collect indicators from its member States, while the Statistics Division will obtain indicators from non-OECD countries only. The Statistics Division questionnaire will be a modified version of the OECD questionnaire, both in length and complexity, as it will be adapted to the needs and statistical capacities of developing countries and countries with economies in transition. Similar arrangements will be made with the specialized agencies, secretariats of international conventions and other international organizations for incorporating pertinent indicators into the Division's database.

6. As part of the methodological work of the Statistics Division, a manual on environmental statistics and indicators is being prepared by a consultant. The manual will contain concepts, definitions, classifications, descriptions of data sources, tabulations and data uses for environmental indicators specified by the Intergovernmental Working Group on the Advancement of Environment Statistics. It is expected that the manual will be completed by the end of 1998.

7. In response to decisions made by the Commission on Sustainable Development and the Inter-Agency Committee on Sustainable Development, the Division for Sustainable Development has launched a United Nations System-wide Sustainable Development Web Site. Information on the Site is country-, issue- and indicator-specific, with hyperlinks to related official information maintained on other United Nations Web sites, convention secretariat sites and the sites of Governments. The purpose is to make information collected through national reporting more accessible, transparent and easier to share.

8. In environmental accounting, the so-called "Nairobi Group", in charge of work on an operational manual for SEEA implementation, will meet in November 1997 for the finalization of a first draft of the manual. The draft will be circulated to a wide range of international organizations and experts in the field. The manual will include implementation software and is expected to be published in 1998.

9. The London Group on Natural Resource and Environmental Accounting, at its fourth meeting (Ottawa, 17-20 June 1997), discussed the recommendation of the Statistical Commission to collaborate with the Statistics Division in the revision of SEEA. The Group decided to avoid a formalized revision process for the time being, but would initiate a review of SEEA, leading to an update of the system. To this end, small subgroups are working on (a) the development of a common framework, covering alternative systems, (b) the links between accounts and indicators in physical and monetary terms, (c) concepts and methods of measuring natural resource depletion and (d) other methodological issues of lesser priority. Consolidated papers prepared by the subgroups will be reviewed for possible inclusion in a revised SEEA at the meeting of the London Group in May 1998. The Statistics Division will suggest to the Task Force on Environment Statistics to expand the participation in the review/revision process to those countries and international organizations that are not represented in the London Group.

10. As a first step towards improved transparency and coordination of proliferating technical cooperation projects, especially in environmental accounting, the Statistics Division has established an electronic bulletin board for information-sharing on technical cooperation activities. It can be accessed at

<http://www.un.org/Depts/unsd/enviro>

Points for discussion

11. The members of the Working Group may wish to encourage the full participation of national statistical services and international organizations in the first international compilation of environmental indicators.

Notes

^a *Official Records of the Economic and Social Council, 1997, Supplement No. 4 (E/1997/24), para. 23.*

Annex II

Task Force on Service Statistics

Report prepared by the Organisation for Economic Cooperation and Development (Convener)

1. At its twenty-ninth session,^a the Statistical Commission stressed the importance of ensuring consistency between the fifth edition of the *Balance of Payments Manual*, the Central Product Classification (CPC) Version 1.0, the System of National Accounts (SNA) 1993 and the manual on trade in services statistics proposed by the Task Force on Service Statistics. The Commission requested that the contents of the proposed manual be consistent with the findings of Working Party No. 9 of the Industry Committee on Industrial Statistics on Globalization of OECD.

2. The Inter-Agency Task Force on Service Statistics met in New York on 26 and 27 June 1997, hosted by the United Nations. The main item on the agenda was a discussion of a draft manual on trade in services statistics. Four international organizations — International Monetary Fund (IMF), the World Trade Organization (WTO), the Statistical Office of the European Communities (Eurostat) and OECD — are jointly funding the preparation of a manual on trade in services statistics. Mr. Jack Bame, formerly of the Bureau of Economic Analysis (BEA) and IMF, was hired to write the main chapters of the manual and he has completed this work. The Task Force reviewed the draft chapters at its meeting in June 1997 and made a number of recommendations regarding revisions and additions to the chapters as well as on the content of the two remaining chapters. Mr. Bame has informed the Task Force that he does not wish to continue the work and the four organizations are currently considering who to hire to complete the manual. The chapters are as follows:

- Introduction*
- The conceptual framework
- Classifications
- Transactions between residents and non-residents
- Transactions between residents in the globalization context
- Definitions of service items*

3. The Task Force held a lengthy discussion on the classifications to be used. It was agreed that for transactions between residents and non-residents the Manual will recommend the use of the Balance of Payments (BOP)/product classification, which is itself based on the

Eurostat-OECD Trade in Services Classification. There will be a correspondence table between this classification and one or more versions of CPC to help compilers understand the exact composition of the BOP/product classification. Foreign Affiliates Trade Statistics (FATS) variables will be classified according to the International Standard Industrial Classification of All Economic Activities (ISIC); this is itself linked with CPC. CPC can therefore be seen as providing the fundamental building blocks of the classifications to be used in the manual.

4. Another important issue discussed at the Task Force meeting concerned the adoption of a phased approach to the implementation of the system described in the manual. This is important owing to the relatively crude state of data on international trade in services at the present time. The manual will suggest the various steps to be followed in moving to full implementation of the system.

5. The organizations concerned are aiming to have the complete manual ready for the approval of the United Nations Statistical Commission at its session in 1999.^b This will be preceded by wide circulation of the draft manual to all States Members of the United Nations and members of IMF.

6. Members of the Task Force agreed to change its name to "Task Force on Statistics of International Trade in Services" in order to reflect more accurately its present mandate, which focuses on problems relating to the collection of data on trade in services.

7. The next meeting of the Task Force is to be held at Geneva on 4 and 5 June 1998. It will be hosted by WTO.

Notes

^a *Official Records of the Economic and Social Council, 1997, Supplement No. 4 (E/1997/24), para. 27.*

^b Although the term manual is used, the publication includes classifications and other elements of methodology that are similar to recommendations or guidelines and consequently the approval of the Statistical Commission will be sought.

* To be drafted.

Annex III

Task Force on Finance Statistics

Report prepared by the International Monetary Fund (Convener)*

I. Twenty-ninth session of the Statistical Commission

1. In response to the request of the Statistical Commission at its twenty-eighth session,^a the Task Force on Finance Statistics, in its report to the Commission at its twenty-ninth session, (E/CN.3/1997/13, annex) noted that a specific link with the 1993 System of National Accounts (SNA) either had been established or was in the process of being established in the relevant manuals. Linking with SNA was an explicit goal of the work on the fifth edition of the *Balance of Payments Manual*, published in 1993. For the manuals on monetary and financial statistics and government financial statistics currently being developed and revised by IMF, a major effort is being made to ensure as complete a harmonization with the 1993 SNA as possible, consistent with the needs related to their specialized uses. In the context of the requirements established for the European Monetary Union, Eurostat and the European Monetary Institute (EMI) have identified a range of actions for financial statistics that reflect the adoption of harmonized concepts and definitions (residency, currency breakdown, coverage), all within the framework of the European System of Accounts.

2. The Commission took note of the activities and progress in balance of payments, monetary and financial statistics and government finance statistics; it also took note of efforts to harmonize concepts and definitions in those areas with the 1993 SNA.^b

3. As to modalities for further work, the Commission endorsed the proposal contained in the report of the Task Force to amend the terms of reference of the Task Force to incorporate a request that work programmes of international organizations in the field of finance statistics be presented periodically in a report.^c This report would be a means of providing updated information and as the basis for the discussion of particular issues.

* For an introduction and background, see the report of the Task Force on Finance Statistics (E/CN.3/1997/13, annex), in particular paras. 1-5.

II. Status of methodological work in finance statistics

4. Following an expert group meeting in November 1996, IMF has worked to complete the *Manual on Monetary and Financial Statistics*. The *Manual* will be published at the end of 1997. Revision of training materials is under way. The revised materials will supplement the *Manual* in seminars and courses for the countries of the former Soviet Union (in cooperation with the Central Bank of Russia), for Caribbean countries (in cooperation with the Eastern Caribbean Central Bank) and for Latin American countries (in cooperation with the Centre for Latin American Monetary Studies).

5. As to government finance statistics, in response to the outline of the revised manual, comments have been received from some 70 statistical agencies and units in 43 countries and from international organizations. Drafting of the manual is under way; comments on the draft will be invited and an expert group meeting held. The target completion date is 2000.

6. The IMF Balance of Payments Statistics Committee will meet from 22 to 24 October 1997. The agenda will include discussions of the Coordinated Portfolio Investment Survey, focusing on the modalities for the exchange of results among the 36 participating countries and on coverage of securities held as reserve assets; financial derivatives (see para. 7 below); trade in goods, focusing on the shuttle trade; and trade in services. In addition, the Committee will review a report on the joint IMF and OECD survey of the methodology and compilation procedures employed by member countries in compiling foreign direct investment data. The metadata gathered by this joint survey are expected to give compilers and users of direct investment data a better understanding of the methodologies used worldwide in compiling these data; they should help to indicate the present weaknesses in data compilation and to spread best practice. Further information about the Committee and its work products is available at the IMF Internet site: <http://www.imf.org/bop>.

7. In April 1997, IMF circulated a discussion draft for comment, entitled "The statistical measurement of financial derivatives". The discussion draft sought to clarify and

amplify guidelines on financial derivatives contained in the 1993 SNA and fifth edition of the IMF *Balance of Payments Manual*. In many respects, the draft endorses their key recommendations, but it contains two proposals for change. First, it takes a less restrictive view than the 1993 SNA about which financial derivative contracts fall within the existing SNA asset boundary, in effect allowing for the inclusion of more over-the-counter (or non-exchange traded) financial derivative contracts. Second, and related to the first point, the paper proposes that interest rate swaps and forward rate agreements be recognized as financial assets and that net cash settlement payments in these contracts be classified as financial transactions rather than as property income flows, as recommended in the 1993 SNA. From the comments received so far, it appears that the paper and its recommendations are viewed favourably. The discussion draft is now being revised and will be recirculated for discussion by the IMF Committee on Balance of Payments Statistics in October 1997. Thereafter, the paper will be submitted to the Inter-Secretariat Working Group on National Accounts.

III. Amendment of the terms of reference of the Task Force

8. The amendment of the terms of reference of the Task Force could be accomplished by adding the following:

On a periodic basis, report on the work programmes of international organizations, including, as appropriate, regional organizations, as they relate to the development and maintenance of methodologies and compilation guides, compilation, processing, dissemination, and technical assistance and cooperation in the field of finance statistics.

The regional organizations could include, for example, the Centre for Latin American Monetary Studies, the Arab Monetary Fund and the South-East Asian Central Banks Research and Training Centre, all of which undertake substantial training and technical assistance activities in one or more of the specialized systems of finance statistics.

Notes

^a *Official Records of the Economic and Social Council, 1995, Supplement No. 4 (E/1995/28), para. 24.*

^b *Ibid., 1997, Supplement No. 4 (E/1997/24), para. 49.*

^c *Ibid., para. 50.*

Annex IV

Task Force on International Trade Statistics

Report prepared by World Trade Organization (Convener)

Introduction

1. At its twenty-ninth session, the Statistical Commission:^a

(a) Decided that the order of priority for carrying out methodological work should be:

- (i) Preparation of a compiler's manual;
- (ii) Preparation of a revision of *Customs Areas of the World*;
- (iii) Collection of technical information on index numbers of international trade statistics;

(b) Encouraged all countries to supply the commodity breakdown of their current and past international trade statistics to the United Nations Statistics Division, preferably in terms of the Harmonized Commodity Description and Coding System (HS), for the purpose of completing the Statistics Division database according to HS;

(c) Welcomed the adoption, by the Harmonized System Committee (HSC) of the World Customs Organization (WCO), of the draft recommendation that countries provide the United Nations Statistics Division with their international trade statistics according to HS and expressed its support for the adoption of that recommendation by the WCO Council;

(d) Decided that the Task Force on International Trade Statistics should continue to function and should address the issues set out in its report to the Commission (E/CN.3/1997/10, annex) and other issues within its established terms of reference;

(e) Adopted the draft revised concepts and definitions for international merchandise trade statistics (PROV/ST/ESA/STAT/SER.M/52/Rev.2), subject to the Secretariat's incorporating amendments that would clarify the draft text while maintaining its structural integrity;

(f) Requested the Secretariat to publish and distribute the revised concepts and definitions;

(g) Also requested the Secretariat to work towards further harmonization of the concepts and definitions for international merchandise trade statistics with the *System of*

National Accounts 1993 (1993 SNA)^c and the fifth edition of the *Balance of Payment Manual*, of the International Monetary Fund (IMF).^d

I. Compiler's manual

2. The Statistics Division is preparing a work plan for circulation to the members of the Task Force. The proposed approach, whereby the manual would be developed as a synthesis of several available national manuals and amended to comply with the revised concepts and definitions, was well received by the Task Force members.

II. Customs areas of the world

3. The Statistics Division will prepare an outline, accompanied by a list of questions, to ensure a detailed and standardized definition of each statistical/customs area. It will be sent to members of the Task Force for review and then to the appropriate country authorities.

III. Index numbers of international trade: technical information

4. The Statistics Division intends to begin work on this issue during the next two years when nearing the end of the work described in sections I and II above. As a first step, the Statistics Division will review existing United Nations publications and collect and analyse information on country practices in index number construction and use. A more definitive statement and an outline will be presented at the forthcoming meeting of the Task Force.

IV. Provision by countries to the United Nations Statistics Division of international trade statistics in terms of the harmonized system

5. The Council of the World Customs Organization, at its ninetieth session (Budapest, 16-19 June 1997), adopted a recommendation concerning the reporting of trade data to the United Nations Statistics Division (see appendix), which had been proposed by HSC and supported by the Statistical Commission. Subsequently, the WCO secretariat sent the recommendation to national customs administrations and the Statistics Division sent it to national statistical offices, encouraging countries to comply with the recommendation.

V. Revised concepts and definitions for international merchandise trade statistics

6. The Statistics Division has revised the text adopted by the Commission, in accordance with the Commission's directions (see para. 1 (e) above) and submitted it for editing, translation, publication and dissemination. The Task Force intends to address the further harmonization of the concepts and definitions for international merchandise trade statistics with the 1993 SNA and the fifth edition of the *Balance of Payments Manual* in conjunction with the preparation of the compiler's manual (see para. 2 above). The compiler's manual will correspond to the concepts and definitions already approved by the Commission and the findings related to further harmonization will be scheduled for subsequent study.

VI. Other matters

A. Flow of data among international organizations

1. Use by the Statistics Division of IMF monthly data

7. Following completion of a reconciliation exercise in 1996, the Statistics Division is using all series of aggregate imports and exports in national currency reported to IMF and published in the *International Financial Statistics* (IFS). The Division continues to collect or estimate data for countries not reporting to IMF (some 61 countries as of March 1997).

The Division and IMF will continue to explore the possibility of faster data transfer between the two organizations. The Division has begun to use the unit value/price and volume (quantum) index number series published in IFS in national currency. As of February 1997, index numbers series for 51 out of 58 countries available from IMF were used by the Division. The series for the remaining seven countries maintained by both organizations still need to be updated or reconciled. The Division is investigating the adoption of the IMF series of aggregate import and export values published in IFS in United States dollars. A report will be prepared for the forthcoming meeting of the Task Force.

2. Differences between annual figures in the Commodity Trade Statistics Database and in the United Nations Statistics Division/IMF database of aggregate imports and exports

8. The Statistics Division has continued to review the differences between the annual values of aggregate imports and exports in United States dollars provided by countries and stored in the Statistics Division Commodity Trade Statistics Database (Comtrade) (aggregate of detailed commodity-by-partner data), with the aggregate imports and exports also provided by countries and stored in the United Nations Statistics Division IMF database. A number of differences have been explained and appropriate adjustments have been made either to Comtrade data or to the United Nations Statistics Division IMF aggregate database.

3. Arrangements between the Statistical Office of the European Communities, the Organization for Economic Cooperation and Development and the United Nations Statistics Division for detailed trade data

9. Eurostat, OECD and the United Nations Statistics Division are trying to move towards common sourcing of commodity trade data to eliminate duplication in collection and processing and to improve the comparability of the data maintained by the three organizations. A jointly prepared proposal is that (a) OECD and the Statistics Division would take Eurostat-processed data for the five European countries that have ceased collecting intra-community imports on a country-of-origin basis; (b) the Statistics Division would take OECD-processed data for other OECD countries; and (c) the Statistics Division would continue to collect and process data for all other countries and make them available to Eurostat and OECD. Eurostat, OECD and the Statistics Division will prepare a progress report jointly for the forthcoming meeting of the Task Force.

4. Comtrade: status, plans and user needs

10. The flow of data into Comtrade continues to improve as a result of continuing cooperation from countries, intensive follow-up, where necessary, and from the sharing of data collected by the international organizations. The Comtrade system, enhanced to accommodate data according to the Harmonized System, became fully operational as of 1 November 1995 and national data are being added to it as countries supply them.

5. Correlations between classifications used in trade

11. The Statistics Division has completed the correlation between the 1988 HS and the Standard International Trade Classification, Revision 2 (SITC, Rev.2). As the 1992 HS differs from the 1988 HS only marginally, an agreed correlation between the 1992 HS and SITC, Rev.2 also exists. A correlation between the 1996 HS and SITC Rev.3 was prepared; the correlation for 46 HS codes remains in question, of which 44 are contained in chapter 72 (Iron and steel) of *The Harmonized Commodity Description and Coding System*;^c consultations with Eurostat on this correlation are continuing. The Statistics Division has agreed to test data conversion from HS to SITC, Rev.2 directly and via SITC, Rev.3, analyse the results and report to the Task Force at its forthcoming meeting. Data have been converted from SITC, Rev.1 to SITC, Rev.2 but, according to various tests conducted thus far, this has not produced acceptable results at the 4- and 5-digit levels; the Division will further examine the advantages and disadvantages of converting these data at a higher level of the classification to provide longer term time series according to SITC, Rev. 2.

6. Quarterly data in Comtrade

12. At the 1996 meeting of the Task Force, the Statistics Division agreed to continue its efforts to collect quarterly data, but to process these data only on request, while users investigated alternative sources for quarterly data. At the 1997 meeting, users indicated that they had found alternative sources where necessary and the Task Force noted that consequently the Division would no longer collect and process quarterly data. This decision was noted by the ACC Subcommittee on Statistical Activities at its session in September 1997.

7. Trade in military goods

13. WTO circulated its proposals concerning the possible separate identification in HS of goods for military use, together with the draft observations of the Harmonized

System Review Subcommittee. Apart from technical discussions on the proposed nomenclature and related descriptions, the Subcommittee had stressed that objective criterion should be substituted for end-use criterion to facilitate the classification of goods by customs officials. WTO agreed to keep the Task Force informed of the future deliberations of the Harmonized System Committee on this matter.

8. National reporting practices

14. The Statistics Division issued "National reporting practices in international merchandise trade statistics" (ST/ESA/STAT/112) in February 1996. The report was sent to all countries for information, review, comment and correction. As of September 1997, 20 countries had provided responses and all corrections had been entered into the database. In October 1997, countries were requested to provide any updated information to complete the database.

Notes

^a *Official Records of the Economic and Social Council, 1997, Supplement No. 4 (E/1997/24), para. 39.*

^b *Statistical Papers, Series M, No. 30/Rev.2 (United Nations publication, Sales No. E.89.XVII.12).*

^c *Commission of the European Communities/International Monetary Fund/Organisation for Economic Cooperation and Development/United Nations/World Bank, System of National Accounts, 1993 (Brussels/Luxembourg, New York, Paris, Washington, D.C., 1993).*

^d *International Monetary Fund, Balance of Payments Manual, 5th ed. (Washington, D.C., 1993).*

^e *Customs Cooperation Council, The Harmonized Commodity Description and Coding System (Brussels, 1984).*

Appendix

Draft recommendation of the Customs Cooperation Council concerning the reporting of trade data to the United Nations Statistics Division

(...1997)

The Customs Cooperation Council,

Noting that the Harmonized System has been widely adopted by member countries and customs or economic unions for their customs tariff and statistical nomenclatures,

Considering that one of the stated aims of the Harmonized System is to facilitate the collection, comparison and analysis of international trade statistics,

Considering that a close correlation should be maintained between the Harmonized System and the Standard International Trade Classification (SITC) of the United Nations,

Having regard to the obligation under article 3 of the Harmonized System Convention for contracting parties to make publicly available their import and export trade statistics in terms of the Harmonized System,

Taking into account the needs of the United Nations Statistics Division to have trade statistics based on the Harmonized System,

Recommends that member administrations and contracting parties to the Harmonized System Convention report their import and export trade statistics to the United Nations Statistics Division in terms of the Harmonized System;

Requests member administrations and contracting parties to the Harmonized System Convention to notify the Secretary-General of their acceptance of this recommendation and of the date of its application.



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Item 6 of the provisional agenda*

Some critical problems in economic statistics

Report on status/work of "city and other important groups"

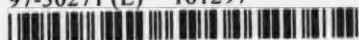
Note by the Secretary-General

The Secretary-General has the honour to transmit to the Working Group the reports of various city and other important groups on their activities, which are contained in the annex. The report is transmitted to the Working Group in accordance with a request of the Statistical Commission at its twenty-ninth session.¹

Notes

¹ See *Official records of the Economic and Social Council*, 1997, Supplement No. 4 (E/1997/24), chap. II

* E/CN.3/AC.1/1998/1.



Annex**Report on status/work of city and other important groups****Contents**

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I. Introduction

1. At its twenty-ninth session (10-14 February 1997), the Statistical Commission:^a

(a) Took note of the formation of various groups on different critical problems in economic statistics, and agreed with their proposed activities;

(b) Agreed on the need to conduct an evaluation of the global International Comparison Programme (ICP);

(c) Took note of the offer of the United Nations Statistics Division to distribute materials received from the above-mentioned groups and to establish, on the Division's home page, links to the various computer bulletin boards.

2. In an effort to disseminate information on the various groups and their past and future activities, the Director of the United Nations Statistics Division wrote a letter dated 16 May 1997 to the heads of all national statistical offices, as well as to the heads of statistical units of international organizations. The letter explained the genesis and the workings of the city groups, and addressed the issue of participation in city groups and the role of the Division. Together with the letter the reports presented by the various groups to the Statistical Commission and a table of contact addresses were distributed.

3. The United Nations Statistics Division has also established a city group page on its home page.^b The home page contains general background information on the groups, and provides the user with the names and addresses of liaison officers. To the extent that the groups do entertain World Wide Web sites with information on their meetings and research activities links have been established. Furthermore, the Division is offering a special e-mail address to which queries about the groups may be sent.

4. The status reports submitted by the various groups are set out below. An update on the evaluation process of the global ICP will be given orally at the Working Group meeting.

II. Reports of the city and other important groups

A. Paris Group on Labour and Compensation

5. As announced previously, the new Paris Group on Labour and Compensation was formally launched during the spring of 1997, with the Institut national de la statistique et

des études économiques (INSEE) in charge of coordinating its activities. After various exchanges with Mr. Fahrad Mehran of the International Labour Organization (ILO) and Mr. Bruce Petrie of Statistics Canada, who coordinated a group at the Organisation for Economic Cooperation and Development (OECD) in the same domain, which constitutes the core of the Paris Group, it was decided to increase the number of participants so that the Paris Group reflects the world statistical community rather than the former OECD group, but only moderately at first so that the total number of participants does not exceed about 20. In that way, the informal aspect of a Voorburg-type group is expected to be maintained.

6. To that end, contacts have been made with statistical representatives of the following countries: Argentina, Australia, Italy, Malaysia, Netherlands, Poland, Romania, South Africa and the former Yugoslav Republic of Macedonia (some of those countries had spontaneously expressed some potential interest in the Paris Group). All those countries, as well as all members of the former OECD group (Canada, Finland, France, Germany, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the ILO, OECD and the Statistical Office of the European Communities (Eurostat)), have been invited to participate in the 1st meeting of the Paris Group.

7. That 1st meeting will take place in Paris on 27 and 28 November 1997. The main topics that will be dealt with are labour market dynamics; reconciliation of estimates of employment (and unemployment) from different sources; work duration; self-employment; and dimensions of job quality. The emphasis will mainly be on statistical or measurement practices and problems in each participating country, rather than on academic, research, theoretical methodology or economic policy aspects, which are probably better covered in other organizations. Also, for most of those topics, each participant is requested to provide a very short descriptive paper, in order that participants may be informed of the situation prevailing in each participating country and begin to accumulate comparative international information. On a voluntary basis, a few more substantive papers on the main topics of the meeting will be provided by the most experienced participants to feed the general discussion.

8. As in any other Voorburg-type group, participants are selected on an individual basis and are expected to get financing funds by themselves and to take care of making adequate travel and hotel reservations.

B. Ottawa Group on Price Indexes

9. The 3rd meeting of the Ottawa Group on Price Indexes was held at Voorburg, the Netherlands, from 16 to 18 April 1997.

10. Twenty-eight papers were discussed at the meeting. The majority of the papers addressed issues of bias that were discussed in the report of the Boskin Commission, in particular how to deal with low-level substitution bias, and the treatment of new goods and quality change. The use of scanner data to treat those issues was a common theme. The other papers were varied in scope, although there was a small concentration attending to the issues of the underlying, or core rate of inflation, and its (or their) definition and measurement.

Lessons learned

11. There is now a clear consensus on the method of calculations at the lowest level of aggregation. Since the 1st meeting of the Ottawa Group in 1994, member countries have been leaning towards adopting geometric means for statistical and practical purposes. More recently, theoretical work has been moving towards finding justifications in utility theory for that treatment or for the use of constant elasticity of substitution functions.

12. The use of scanner data in research is becoming widespread. It has been used to examine the choice of formula, including the possibility of computing superlative indexes, and to address questions of sampling, as well as to provide a database for the application of regression analysis to shifts in quality of observed goods. However, at present no one is close to applying those data in practice because the problems of dealing with such large bodies of data and verifying their accuracy have yet to be addressed. Exploiting those data appears to provide an opportunity to reduce the effects of some of the problems causing bias and even to eliminate them altogether.

13. A third theme dealt with quality change, in particular the application of hedonic methods to evaluate quality change, as well as more traditional methods, and the examination of the treatment of outlet shifts compared to product changes. It was clear that there is a conceptual work as well as empirical work to be done in those areas, and agencies should try to harmonize their approaches.

C. Canberra Group on Household Income Statistics

14. The Canberra Group on Household Income Statistics is a flexible working group of experts in household income statistics from national statistical offices and agencies. The Canberra Group was established to address collectively the common conceptual, definitional and practical problems that such agencies are facing, and in that way to improve international comparisons of data on income distributions.

15. Following the practice of the Voorburg Group, the members of the Canberra Group may be representatives of national statistical offices, international organizations or other across-country organizations. Members of the Canberra Group are experts in the field of household income statistics and/or the more general field of economic well-being. All members will make a commitment to contribute in a substantial way to the research and other activities of the Group. Members will contribute to the Group in their personal capacities, without necessarily committing their employers.

16. The Australian Bureau of Statistics convened the 1st meeting at Canberra on 2 to 4 December 1996; the expert group took its name from that venue.

17. Members of the Canberra Group participating in the 1st meeting included representatives of national statistical and other agencies from Europe, Asia, North and South America, Australia and New Zealand, and a number of international organizations. Other agencies that were unable to attend the 1st meeting expressed interest in the future work of the Group. There was agreement at the 1st meeting that the Canberra Group should be as open and inclusive as possible.

18. The 1st meeting focused on conceptual issues and practical problems under the following headings: data sources and related issues; methods and analytical issues; income inequality; and international comparison. The Group recognized that the task of developing standards and guidelines on household income statistics was potentially extremely large, and it felt that in order to make substantial progress it would need to identify goals that could be achieved in the short to medium term.

19. The meeting endorsed a programme of work that would also form the agenda for the next meeting, to be held in the Netherlands in March 1998. The broad areas of work include:

- (a) Documentation on methodology and quality;
- (b) Statistical units: concepts, definitions and use;

(c) Developing a hierarchy of income concepts and definitions;

(d) Reconciliation with national accounts and other national aggregates;

(e) Measurement of self-employed income.

20. A report on the 1st meeting, including papers contributed, are available on the Group's World Wide Web site at:

www.census.gov/hhes/www/incmeas.html.

Two other e-mail addresses may be used for further queries about the Group:

Harry Kroon, Australian Bureau of Statistics
Harry.Kroon@abs.gov.au

Paul van der Laan and Central Bureau of Statistics of the Netherlands
plan@cbs.nl

D. Expert Group on Capital Stock Statistics

21. The issue of capital stock measurement was one of 15 critical problems in economic statistics recognized at the eighteenth session of the Working Group on International Statistical Programmes and Coordination (New York, 16-19 April 1996). The Australian Bureau of Statistics volunteered to host a conference on the issue.

22. The Expert Group on Capital Stock Statistics held a conference at Canberra from 10 to 14 March 1997.

23. Topics discussed included:

(a) A review of the practices of participating countries;

(b) Concepts of capital;

(c) Perpetual inventory method (PIM): practice and problems;

(d) Alternative approaches to measuring capital stock, primarily direct collection;

(e) Experience with multifactor productivity;

(f) New measures of capital related to the extension of the asset boundary as recommended by the System of National Accounts, 1993 (1993 SNA);

(g) Balance sheet issues;

(h) International comparability and cooperation, including plans for the future.

24. There is clearly a high degree of commonality in the methods used by the countries represented at the conference, such as a general reliance on the perpetual inventory method, with a lesser use of direct measurement; extensive use of Laspeyres price indexes (albeit at a fine level of disaggregation) and fixed-weighted volume indexes; and straight-line depreciation assumptions. However, there are significant differences in the level of detail used in terms of sectoral, industry (branch) and asset types. It was acknowledged by a number of countries that valuation of capital stock for service industries was of poorer quality than for other industry groups.

25. There was also a significant degree of commonality in the problems reported by countries concerning their current systems for deriving capital stock estimates. Those problems include:

(a) A lack of empirical data directly relevant to individual countries on asset service lives for different types of assets;

(b) Inadequate dissection of estimates by type of equipment;

(c) Privatization — difficulty of satisfactorily implementing intersectoral capital stock adjustments;

(d) Difficulties in redistributing capital stock acquired through financial leases to industry of use;

(e) Lack of data on second-hand transactions;

(f) Inadequate treatment of extraordinary events and unforeseen obsolescence.

26. Among the difficulties identified, the lack of current data regarding asset service lives was considered to be most important. Difficulties in determining asset lives centred around the high cost and respondent load associated with obtaining and maintaining good measures. The conference recognized that such problems were further complicated by significant differences between countries affecting asset service lives, such as climate, culture and pace of economic development. Those differences imply that each country should determine asset lives appropriate for its own environment. Concern was expressed about the reliance on OECD estimates, which are largely dependent on "second-hand" estimation methods used (and reported) by individual member countries, which inevitably affect the accuracy of the estimates of capital stock.

27. The conference drew a distinction between the measure of capital stock required for productivity analysis and the measure required for wealth analysis. Since that distinction does not seem to be widely understood, it was felt that it

should be widely disseminated for the benefit of both compilers and users of capital stock data. A description of those concepts and an explanation of their differences is contained in paragraphs 37 to 44 in the summary record of the conference (see para. 31 below), which constitutes the final report of the conference.

28. There was general agreement that a significant work programme will be required to address outstanding and emerging capital stock issues. It was agreed that the results of such work could usefully be incorporated into a handbook on capital stock measurement that would cover both conceptual issues and suggested best practices in the compilation of capital stock statistics. OECD has since agreed to develop and publish such a handbook in consultation with interested agencies, as part of its reference documentation on national accounts issues. It was further agreed that a target of about end-1999 should be set for the completion of such work, with publication of the handbook as soon as possible thereafter. As a by-product of that work, valuable suggestions for revisions to and the further elaboration and development of the 1993 SNA might result.

29. It was agreed that focusing on the development of such a handbook would define the purpose and agenda for two further conferences on capital stock measurement. OECD offered to provide a venue and administrative support for a further conference in about September 1998. Invitations will be extended to both member and non-member countries of OECD. An informal organizing committee for that next conference has been set up, comprising representatives of OECD, the Economic Commission for Europe (ECE), the Australian Bureau of Statistics, Statistics Canada, the United States Bureau of Labor Statistics, the Netherlands Central Bureau of Statistics, the Department of Statistics Singapore and the Central Bureau of Statistics of Indonesia.

30. The draft report of the above-mentioned conference was an agenda paper for discussion at a joint OECD/ECE/Eurostat meeting on national accounts held in June 1997. In general, participants at that meeting felt that capital stock measurement was an important but complex issue on which further methodological and practical guidance was needed, for both the developed market economies and countries in transition. The report of the conference was seen as contributing to a good base for further work.

31. All papers from the conference, including the final report, will be made available at a World Wide Web-site on the Internet in the near future. The site will be managed and maintained by the OECD Statistics Directorate.

E. Sienna Group for Social Statistics

32. The Sienna Group's purpose is the promotion and coordination of international cooperation in the area of social statistics by focusing on social indicators, social accounting, concepts and classifications, and an analysis of the linkages and frameworks for integrating social, economic and demographic data for the purposes of policy formulation and analysis. It is an informal group of experts, primarily from national statistical offices, but also from governmental agencies and academia, whose participation is voluntary. The Sienna Group also has a steering committee — known as the Promotion Group — that meets on an ad hoc basis so as to ensure that the Sienna Group's initiatives are sustained. The Promotion Group includes, among others, Ms. Barreiros of Eurostat, Mr. Guteland of Statistics Sweden, Mr. Glaude of INSEE, Mr. Longva of Statistics Norway, Mr. Suarez of the Swiss Federal Statistics Office, Ms. McEwin of the Australian Bureau of Statistics, Ms. Mikkelsen of ECE and Mr. Garonna of the Italian Statistical Office. The Sienna Group asks that members contribute a substantive paper to the meeting of the Group that they are participating in, and that the national statistical office hosting the meeting assumes responsibility for preparing a volume of proceedings after each meeting.

33. In June 1997, the Sienna Group held a meeting on the theme "On the way to a multicultural society", which was hosted and organized by the Swiss Federal Statistical Office at Neuchâtel, Switzerland. It was the 5th meeting of the Sienna Group. The 2nd to 4th meetings considered the themes "Intergenerational relations and social mobility" (Paris, 6 and 7 June 1996); "Monitoring social exclusion in education and labour markets" (Oslo, 8 and 9 June 1995); "social reporting and social accounting" (Stockholm, 6 and 7 June 1994). The 1st meeting, marking the formal establishment of the Sienna Group, took place at Sienna from 17 to 20 October 1993 in the form of an international conference in memory of Sir Richard Stone, and addressed the theme "Social statistics, national accounts and economic analysis". Although each meeting has produced a publication of proceedings, the volume *A Statistical Portrait of Youth Exclusion* (1997), which resulted from the Oslo meeting, is the Sienna Group's most recent publication and is anticipated to establish the pattern for monitoring reports that the Group intends to pursue in the future.

34. The host country of the Sienna Group's meetings changes. The Group's 6th meeting will be organized and hosted by the Australian Bureau of Statistics at Sydney in December 1998. The proposed theme is "Families in the twenty-first century", and as is the case for the 5th meeting,

a monitoring report is expected to be produced. Moreover, the 6th meeting has scheduled a third day on which the harmonization of concepts and classifications in social statistics is discussed, the objective being to take stock of what has been achieved so far and what can be achieved in the future through Sienna Group meetings.

35. The Sienna Group has not yet established an Internet site. However, for information on its 5th meeting, contact:

Mr. Heinz Gilomen
Swiss Federal Statistical Office
Heinz.Gilomen@bfs.admin.ch

For information on the 6th meeting, which will be organized and hosted by the Australian Bureau of Statistics at Sydney, contact:

Mr. Tim Skinner
Australian Bureau of Statistics
Tim.Skinner@abs.gov.au

F. Expert group on intangibles

36. At its twenty-ninth session, under the agenda item "Critical problems in economic statistics", the Statistical Commission discussed the economics of intangibles. A contribution from the United Kingdom of Great Britain and Northern Ireland argued that the threat to the public perception of economic statistics posed by the development of intangibles came not from the difficulty of collating the statistics or constructing economic accounts but from the diminishing relevance that they might be seen to have to public and policy concerns. The United Kingdom paper proposed that what was needed to address that problem was to take forward the agenda set out in the 1993 SNA, particularly concerning the use of satellite accounts. It was argued that in a period of rapid technical change, the link between output and outcome could become unstable. That has manifested itself in a concern with the measurement of quality change. In that context, satellite accounts could serve to link traditional economic accounts with the underlying concerns of economic welfare, on the one hand, and production and productive capacity, on the other.

37. It was proposed that an expert group be set up that would operate by correspondence. The Statistical Commission took note of the contribution, and agreed that a definition of those emerging problems should be sought within established economic statistics.

38. In May 1997, the same issues were discussed by national directors-general of statistics of the European Union

at their annual conference, after which the United Kingdom contacted other statistical offices to propose the establishment of an electronic group to try to take forward the work. In order to start the ball rolling a questionnaire was circulated to try to assess current international practice on the treatment of intangibles. So far, about five offices have responded and three have completed questionnaires.

39. The next stage will be to produce a synthesis of responses to the questionnaire; that will provide an inventory of current practice. Participants in the electronic group will be invited to help develop a work programme. If the broad proposals are accepted, that should lead to some further development of the structure and classification systems for satellite accounts in general and those which bear on intangibles in particular.

40. The United Kingdom also leads a Eurostat working group on intangible assets. The focus of that group is on those elements of intangibles that the 1993 SNA includes within the asset boundary. It will make recommendations on measurement and valuation for those assets. Any intangible assets addressed in United Nations intangible projects will focus on items, such as research and development and training, that are not capitalized in the 1993 SNA. Another Eurostat group is looking at the implications of intangibles for structural business statistics.

41. Parallel developments are the discussions in the Voorburg Group on measuring information industries, an OECD group on the accounting treatment of intangible capital, and work on the productivity paradox as represented in the Ottawa conference organized by the Centre for the Study of Living Standards in spring 1997.

42. Similar techniques to those proposed for intangibles are to be proposed for addressing the direct measurement of public sector output; they were described in a United Kingdom paper submitted to the joint OECD/ECE/Eurostat national accounts meeting held in Paris in June 1997.

43. A further progress report will be before the Working Group as a background document.

G. Delhi Group on Informal Sector Statistics

1. Introduction

44. Since the informal sector has been growing at a significant pace in most developing countries, and since India has accumulated some experience in developing a database for measuring the contribution of that sector, the idea of setting up the Delhi Group on Informal Sector

Statistics was put forward. The Department of Statistics of the Government of India thus took the initiative to constitute such an expert group. The Department prepared a basic concept paper on the subject of informal sector statistics, and circulated it among various countries, international agencies and other concerned experts, researchers and organizations. The Statistical Commission endorsed the proposal of the Government of India for the constitution of the Delhi Group on Informal Sector Statistics.

45. Earlier, the ILO had contributed to the understanding of the nature and the scope of the informal sector. The ILO had given guidance for data collection through surveys, which helped to institutionalize the informal sector and to integrate it into the development process. Thereafter, the United Nations Statistics Division, jointly with the Economic Commission for Africa, organized a workshop on statistics on services in the informal sector for the Africa region at Addis Ababa in June 1996. It also organized in cooperation with the Economic and Social Commission for Asia and the Pacific (ESCAP) and the ILO, a workshop on statistics on the informal sector at Bangkok from 12 to 16 May 1997.

2. First meeting of Delhi Expert Group

46. The 1st meeting of the Delhi Group was organized by the Department of Statistics, Ministry of Planning and Programme Implementation of the Government of India, from 20 to 22 May 1997 at New Delhi. The meeting was inaugurated by Prof. Y. K. Alagh, Minister of Planning and Programme Implementation and Science and Technology and was attended by 37 participants, including 10 representatives of eight countries and 6 representatives of five international agencies.

47. Based on the presentations and deliberations, the following recommendations/conclusions were made by the Delhi Group at its 1st meeting:

(a) The recommendations made by the United Nations Statistics Division/ILO/ESCAP workshop on statistics of the informal sector, held at Bangkok from 12 to 16 May 1997, were endorsed by the participants. They also agreed to the agenda suggested for the Delhi Group by the workshop which shall be duly included in the future plan of action of the Delhi Group. The recommendation to rotate meeting venues of the Delhi Group among member countries, as well as the recommendation to seek financial and/or technical assistance from donors and international agencies, were appreciated. The Delhi Group agreed to make efforts to seek the representation of countries from all

regions of the world, particularly those from Africa and the former USSR;

(b) The Delhi Group will make efforts to delineate various criteria, such as (i) employment size, (ii) non-registration and (iii) lack of accounts, criteria which are commonly used by countries to identify the informal sector and which are part of the international definition;

(c) Another issue the Group identified was the need to assess the seasonal variations that normally impair the results of the informal sector statistics;

(d) Efforts should be made to develop a minimum data set for the use of its members in order to facilitate international comparability that meets the requirements of analytical issues in addition to those of national accounts;

(e) Papers contributed in various earlier international and regional forums, workshops, conferences etc. on the subject of informal sector statistics, as well as reports of such meetings, should be considered by the Delhi Group, and issues/recommendations covered therein should be documented;

(f) It was suggested that the Delhi Group might identify important issues from the above-mentioned reports for its own detailed consideration;

(g) Currently, two types of surveys — industry-specific surveys and informal sector surveys covering all relevant industries — are being undertaken to collect data on the informal sector. The Delhi Group may study those options, keeping in view measurement objectives and data needs;

(h) The participants suggested that the desirability and feasibility of including agriculture, professional services, paid domestic services, outwork/homework etc. in the scope of the informal sector should be discussed by the Delhi Group, within the context of the outcome of the fifteenth International Conference of Labour Statisticians and the 1993 SNA;

(i) To minimize the obsolescence of the sampling frame, measures to reduce the time gap between the listing stage and the detail canvassing stage of informal sector surveys should be developed.

48. The Delhi Group decided that its membership will be open to all national statistical agencies. Interaction with the international agencies and regional commissions will be continuously and vigorously maintained in order to seek contributions in the form of papers and the participation of institutional representatives at meetings.

3. Finalization of the proceedings of the 1st meeting

49. The report on deliberations of the 1st meeting of the Delhi Group on Informal Sector Statistics was sent to all participants at the meeting. In addition, 11 countries of Africa, 5 from the former USSR and 6 other countries, as well as one institution, have also been invited afresh to join the Delhi Group. A copy of the report of the 1st meeting of the Delhi Group has been sent to them. Each invitee country has been requested to send its country paper on the status of informal sector statistics for circulation; each was also requested to attend the 2nd meeting of the Delhi Group.

4. Present status

50. As decided at the 1st meeting of the Delhi Group, the 2nd meeting is scheduled to be held at Ankara, Turkey during the last week of March 1998.

H. Voorburg Group on Service Statistics

51. The Voorburg Group met for the first time at Voorburg, the Netherlands in January 1987 at the request of the United Nations Statistics Division. Its mandate was to assist in the development of a classification of products created from service activities (Central Product Classification—Services). The Group expanded its scope, in line with the wishes of participants, to include discussing ways of estimating real product of service activities; prices of modern service products; international trade in services, and employment, skills and occupations in modern service activities.

52. The Voorburg Group's practice is to meet annually for a week to discuss a pre-established and mutually agreed agenda, and to conclude by either producing or agreeing to produce a standard or a practice to be used in the compilation of better statistics on service activities. The Group's conclusions are first transmitted to the United Nations Statistics Division and subsequently submitted for international endorsement to the Statistical Commission for wider dissemination. The Group has also devoted considerable effort to the evaluation of the standards that it has contributed to establishing.

53. Among its achievements, the Group ranks as foremost the development of the Central Product Classification (CPC release 1.0) and of model questionnaires for data collection from a variety of service activities. The work on model surveys can be found in *A Model Survey of Computer Services*;⁶ the CPC version 1.0 will be published as ST/ESA/STAT/SER.M/77 (version 1.0). Currently, the

Group is working on a standard questionnaire on employment variables for service activities.

54. The technical papers produced and reviewed by the Group are available on CD-ROM directly from Eurostat.

55. The Voorburg Group's next meeting is scheduled to take place in Rome on 21 September 1998. Its agenda will focus more specifically on matters related to the information society, and a detailed version should be available before year end.

I. London Group on Environmental Accounting

56. The London Group was created to allow practitioners to share their experience of implementing environmental accounting linked to national accounting as satellite accounts. It convened its 1st meeting in March 1994 in London, its 2nd meeting at Washington, D.C. in 1995, its 3rd meeting at Stockholm in 1996 and its 4th meeting at Ottawa in June 1997. Participation is limited to invited representatives from statistical offices from 12 to 14 countries and 5 international organizations (hereafter referred to as participants). All participants pay their own way. The meetings are hosted voluntarily by participants one at a time. To date, the United Kingdom, the United States and Sweden have provided facilities and secretarial functions for one of the meetings. A papers and proceedings volume has been compiled after each meeting.

57. The 1st meeting provided a forum for participants to review, compare and discuss work under way towards the development of environmental accounts. The ensuing discussion of frameworks and analyses revealed substantial differences in conceptual approaches, some originating from historical development and others from emerging or current trends. For example, the Dutch National Accounting Matrix including Environmental Accounts (NAMEA) emphasized accounting for emissions in physical terms, organized under thematic headings. The issue of the sustainable use of natural resources has influenced other countries to move towards the framework of the System for Integrated Environmental and Economic Accounting (SEEA). There was general agreement that the frameworks are broadly consistent and the choice of a framework depends on the desired emphasis. The usefulness of "green national product" and green aggregates received mixed reviews. For some, the underlying issues were too complex to be represented by a set of aggregates. For others, the difficulties in establishing sound underpinnings (e.g., valuation challenges) and attaining agreement on appropriate approaches implied that

it is still too early in the collective experience to commit to such measures. The London Group agreed that its next meeting would focus on framework building and valuation issues.

58. The Washington, D.C., meeting revealed that there was widespread movement among participants to adopt the 1993 SNA recommendations with respect to the broader definition of the balance sheet. All countries (except the United States) were on course to include monetary values for their natural resource assets within their national balance sheets within the next 2 to 3 years. However, there was still little consensus on valuation methods. Furthermore, most countries were working to develop physical material flow and waste output accounts to link to traditional input-output accounting systems. The classification of environmental expenditures (SERIEE) also appeared to be emerging as a broadly accepted standard, and Sweden and the United Kingdom had adopted the NAMEA framework as the organizing structure for their work. Valuation remained at the forefront of the discussions as participants grappled with the thorny issues of valuing resource depletion, determining total costs of environmental protection, and assessing the worth of environmental goods, such as clean air and water. Among other topics which were discussed, a few were identified for additional research and for the future agenda, including intended use and applications for the monetary and physical accounts, and accounting for resources with multiple and complementary uses, such as forests.

59. The 3rd meeting was held in May 1996. After two rather general meetings, the third focused on more specific issues, with detailed examples of applications. An entire day was devoted to forest accounting, addressing the challenges of physical measures and the nuances of monetary valuation. Other topics included material flow in environmental accounting and the cost of pollution, as well as existing policy uses of the accounts. Part of the wrap-up addressed the future direction for the London Group, and a long-term plan for future meetings was evolved.

60. The 4th meeting was held at Ottawa in June 1997. A full day session addressed the evolution of SEEA and its strengths and weaknesses, and identified areas common to different accounting systems, areas where there are legitimate differences with other systems with some account of differences, features which are missing or outside the scope of the accounts, and aspects of the present SEEA which might be omitted in a revised version. A discussion group was established to further the deliberation and to put forward concrete proposal for consideration at the 5th meeting.

61. A second session identified the status of the debate on issues related to natural resource accounting (as far as balance sheet and related matters are concerned). A third session explored the impact of environmental targets on the economy, seeking to examine the physical external effects of economic activity on the environment with the objective of establishing links to monetary indicators from environmental targets set by the political process. Alternative approaches to environmental protection, such as different levels of permitted emissions, could then be modeled to quantify the impact on the economy. A fourth session examined water resource accounting: the development of resource stock and use accounts, and the underlying concepts, definitions and methods. That session opened the discussion on how to include the less "economic" issues of water accounting within the framework of environmental accounting.

62. The first three meetings produced a very valuable set of papers and a useful cross-fertilization of ideas through the discussions. Their papers have been published by the host organizations for the benefit of a wider public, and include:

(a) United States Bureau of Economic Analysis, "Second meeting of the London Group on Natural Resource and Environmental Accounting: conference papers", (Washington, D.C., March 1995);

(b) Statistics Canada, "National accounts and the environment: papers and proceedings from a conference held in London, England, March 1994" (Ottawa, 1994);

(c) Statistics Sweden, "Third meeting of the London Group on Natural Resource and Environmental Accounting: proceedings volume" (Stockholm, May 1996).

63. The proceedings of the Ottawa meeting will be published in early 1998, and will be available on the Internet as well as in hard copy form.

64. The 5th meeting of the London Group is planned for 25 to 29 May 1998 at Fontevraud, France.

J. Rio Group on Poverty Statistics

65. The Rio Group on Poverty Statistics will meet for the second time at Rio de Janeiro from 13 to 15 May 1998; the meeting will be convened by the Brazilian Institute for Geography and Statistics (IBGE) and the Economic Commission for Latin America and the Caribbean (ECLAC). The goal is to harness the experience and concerns of different experts, countries and organizations in the measurement, interpretation and use of poverty statistics, leading to a consolidated document containing suggestions,

recommendations and information on the state of the art in matters of poverty measurement, which could be useful to improve the quality and usefulness of those studies.

66. The 1st meeting, organized by ECLAC at Santiago in May 1997, was an occasion for countries to present their experiences. It is expected that the Rio de Janeiro meeting will be centred on in-depth studies of important topics identified in the Santiago meeting. The following four elements are included in the provisional agenda:

(a) *Poverty lines*: the most recent experiences in drawing and using poverty lines; introduction of new methods, information sources and criteria oriented towards the improvement of the representativeness of poverty lines and the links to policy; coordinated use of absolute and relative poverty lines; indicators used to measure poverty; national, regional and group-specific poverty lines;

(b) *Focused or targeted poverty studies*: experience in studies targeted to study poverty situations within specific, disadvantaged groups — women, elderly, ethnic minorities, rural communities; approaches, methodologies and outcomes;

(c) *Statistical instruments for the measurement of poverty*: recent experience derived from the use of panel surveys; the present and potential use of existing household, family budget surveys, employment and other studies; the use of administrative records; the need to introduce changes in traditional statistical instruments to improve poverty statistics;

(d) *Poverty statistics and social policy*: efforts to improve the understanding of the poverty phenomenon and its heterogeneity; experience and possibilities of linking the measurement of poverty with specific action by Governments and other agencies in poverty reduction.

67. Paper proposals for the above-mentioned topics are welcome, and should be sent to:

Mr. Pedro Sainz
Economic Commission for Latin America and the Caribbean
psainz@eclac.cl

and/or

Mr. Simon Schwartzmann
Brazilian Institute for Geography and Statistics
simon@ibge.gov.br

Participation in the Rio meeting should be supported by the respective countries and organizations. Documents and information about the Rio Group and materials produced for

the 1997 Santiago meeting can be found at the Rio Group home page at:

<http://www.ibge.org/poverty>

K. Round table on business frames

68. The round table was convened for the first time at Ottawa in May 1986. Its first two meetings were designed to allow experts from about a dozen statistical agencies to exchange views and experiences bearing on the development, maintenance and use of sampling frames for business surveys (business registers). Subsequently, round-table participants felt that their mutual interests justified an annual meeting to evaluate each other's activities and to place their collective wisdom at the disposal of any international or supranational agency developing guidelines for business frames.

69. In the past, round-table activities have been mostly concentrated on exchanging views and evaluating current trends and practices designed to improve the quality of business surveys. Recently, meetings have become more focused on particular subject, such as the quality of business frames; globalization and business registers; and the integration of business surveys within statistical agencies. But in addition to such subjects, the round table has also discussed matters ranging from technology trends to the definition of business units and their representation on statistical registers.

70. Technical papers produced and discussed at the first 10 meetings of the round table are available on a CD-ROM, contact:

Peter Demmons
Statistics Canada
(613) 951-4055
Fax: (613) 951-6196

Current papers may be consulted at the following Web site:
www.stat.go.jp/roundtable/rndtab.htm

71. The next meeting of the round table is scheduled for Helsinki in September 1998, and the agenda will be dominated by discussions on the globalization of business demography (births, deaths and life expectancy of business). Contact:

Ms. Tuula Viitaharju
Statistics Finland
Tel.: 358.9.1734-3378
Fax: 358.9.1734-3554

III. Points for discussion

72. The Working Group may wish to discuss whether agrees with the proposed activities of the city and other important groups.

Notes

a See *Official Records of the Economic and Social Council, 1997, Supplement No. 4 (E/1997/24)*, II, para. 13.

b World Wide Web site:

<http://www.un.org/Depts/unsd>

E-mail address:

citygroup@un.org

c Statistical Papers, Series M, No. 81 (United Nations publications, Sales No. E.91.XVII.12).
